



## PATIENT ACCOUNTS POLICY & PROCEDURE

**Title:** Medical Financial Assistance (MFA) a.k.a Charity Care

**Number:** PA501

**Effective Date:** 08/12/2011

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### PURPOSE

#### **1.0 Purpose**

- 1.1 This policy establishes clear and consistent guidelines for evaluating and granting Medical Financial Assistance (MFA) to patients.

### POLICY

#### **2.0 Policy Statement**

- 2.1 Grays Harbor Community Hospital (GHCH) is committed to improving the health of all people in the community.
- 2.2 Through the Medical Financial Assistance (MFA) program, GHCH provides financial assistance to facilitate access to care for vulnerable populations. This includes offering medical financial assistance to uninsured and insured low income patients where the ability to pay for medical services acts as a barrier to accessing medically necessary care.

### PROCEDURE

#### **3.0 Scope**

- 3.1 This policy applies to financially qualified patients receiving care provided through GHCH for which a bill may be generated.
- 3.2 This policy does not apply to financial obligations for medical services not billed by GHCH (Physician, Radiologists, Anesthesiologists, etc).

#### **4.0 Definitions**

- 4.1 **Catastrophic event** – a life event such as loss of income, unusually high health care costs, death of a primary wage earner, or a disaster which results in a significant financial burden and creates a barrier to care. The event is evaluated by measurable criteria and meets designated financial thresholds.
- 4.2 **Federal Poverty Guideline (FPG) or Federal Poverty Level (FPL)** – levels of annual income which establishes threshold for poverty as determined by the US Department of Health and Human Services. The guidelines are updated annually in the Federal Register.
- 4.3 **High Medical Costs** – total out of pocket medical expenses incurred by the patient or the patient's family in the past 3 months that exceed 20% of the patient's 3 month family income.
- 4.4 **Means Test** – Patients whose family income is below 100% of the federal poverty level shall qualify for 100% charity care.

- 4.4.1 An evaluation of financial need based on income, assets and medical expenses shall be used to determine eligibility for MFA for patients whose family income is over 100% of federal poverty guidelines.
- 4.5 **Patient's Family Size** – family size is defined as a group of two or more persons related by birth, marriage, or adoption who live together.
  - 4.5.1 **Citizenship Test:** The dependant must be a U.S. citizen or national, or a resident of the U.S., Canada, or Mexico.
- 4.6 **Family Income** – Income is defined as total cash receipts before taxes derived from wages and salaries, Welfare payments, Social Security payments, strike benefits, unemployment or disability benefits, child support, alimony, and net earnings from business and investment activities paid to the individual.
- 4.7 **Income Verification**—One or more of the following types of documentation will be acceptable for purposes of verifying income:
  - 4.7.1 W2 withholding statements
  - 4.7.2 Payroll check stubs
  - 4.7.3 Most recent filed IRS tax returns
  - 4.7.4 Determination of eligibility for unemployment compensation
  - 4.7.5 Credit verification through a reporting agency
  - 4.7.6 Determination of Medicaid eligibility
  - 4.7.7 Written statements from employer or welfare agencies
  - 4.7.8 In the event the responsible party is unable to provide the documentation, described above, GHCH will rely upon the written and signed statements from the responsible party for making a final determination of eligibility.
- 4.8 **Special Circumstances** – extraordinary financial circumstances, arising from a catastrophic event. Medical expense in relationship to the patient's income is considered. Special circumstances are evaluated anytime a patient identifies financial hardship. Eligibility for special circumstances is not limited by income and is available to all patients.

## 5.0 Procedure

- 5.1 Charity coverage is to be extended to indigent patients for all appropriate hospital-based medical services.
- 5.2 All requests for a Charity Care application will be provided.
- 5.3 Information requests, from the hospital to the responsible party, for the verification of income and family size shall be limited to that which is reasonably necessary and readily available to substantiate the responsible party's qualification for charity sponsorship.
- 5.4 **Eligibility Criteria.** Patients who are unable to pay for all or part of the cost of medical care, and who have exhausted private and/or public medical coverage sources may be eligible for MFA.
  - 5.4.1 The hospital shall make designation of Charity Care at any time upon learning of facts or receiving documentation indicating that the responsible party's income is equal to or below two hundred percent of the federal poverty standard as adjusted for family size.
  - 5.4.2 The timing of reaching a final determination of charity status shall have no bearing on the identification of charity care deductions from revenue as distinct

from bad debts. *Even after an account has been assigned to a collection agency, the hospital must evaluate the patient's charity care application and grant assistance if their income qualifies them.*

- 5.4.3 In the event that a responsible party pays a portion or all of the charges related to appropriate hospital-based medical care services; and is subsequently found to have met the charity care criteria at the time that services were provided, any payments in excess of the amount determined to be appropriate in accordance with WAC246-453-040 shall be refunded to the patient within thirty days of achieving the charity care designation.
- 5.4.4 Charity Care is generally secondary to all other financial resources available to the patient, including group or individual medical plans, third party liability situations (e.g. auto accidents or personal injuries, workers compensation programs, Medicaid programs, other state, federal or military programs, any other persons or entities having a legal responsibility to pay.
- 5.4.5 Income, for eligibility purposes, can be defined in two ways:
  - 5.4.5.1 If the income is inconsistent over the last twelve months, then the quarter with the least amount will be multiplied by four.
  - 5.4.5.2 If the income is consistent across the last twelve months, then use the previous twelve-month total.
  - 5.4.5.3 Information provided must indicate gross income for the months prior to the month the application is received.
- 5.4.6 Eligibility criteria for medical Income thresholds for Medical Financial Assistance (Charity Care) are as follows:
  - 5.4.6.1 **Income at or below 100% of the FPG:**
    - 5.4.6.1.1 Patients are eligible for a **100% discount** of their outstanding medical bills.
  - 5.4.6.2 **Income between 100% and 200% of the FPG:**
    - 5.4.6.2.1 Patients are eligible for a **67% discount** of their outstanding medical bills.
  - 5.4.6.3 **Income between 200% and 300% of the FPG:**
    - 5.4.6.3.1 Patients are eligible for a **57% discount** of their outstanding medical bills.
  - 5.4.6.4 **Income above 300% of the FPG:**
    - 5.4.6.4.1 Patients are not eligible for a discount under normal circumstances. Special Circumstances MFA may be considered for these patients.
  - 5.4.6.5 **Special Circumstances** -- Precipitated by a catastrophic event such as loss of income, unusually high medical costs, death of primary wage earner, or other financial hardship. Special circumstances awards apply:
    - 5.4.6.5.1 Special Circumstances awards can only be approved by the Patient Accounts Manager.

- 5.5 **Documentation.** Patients must complete an application for financial assistance and provide supporting documentation.
- 5.5.1 **Primary income** – the last three months of pay stubs for all household members (as defined in 4.5 Patient’s Family Size). Social Security Income statement or Social Security Disability income statement. Previous year tax return if applicable. If income data is unavailable, the attestation form must be signed.
- 5.5.2 **Other income and Assets** – for patient’s whose income is over 100% of the federal poverty guidelines - documentation of all other income sources, including but not limited to income from rental property, alimony and/or child support payments, annuity income, etc.
- 5.5.2.1 One current bank statement for each of the following accounts, as applicable. If no assets are available, the attestation in the MFA application must be signed.
- 5.5.2.1.1 Savings Account(s)
- 5.5.2.1.2 Checking Account(s)
- 5.5.2.1.3 Statements of Certificates of Deposit
- 5.5.2.1.4 Statement for Money Market, Brokerage or other investment accounts
- 5.5.2.1.5 Statements for other retirement accounts
- 5.6 **Patient Responsibility** – Patients must make a reasonable effort to provide all requested and required documentation when applying for financial assistance. If a patient fails to provide information that is reasonable and necessary within 14 days of notification, the patient’s application will be withdrawn. At that time, a patient must reapply if they wish to be considered for financial assistance.
- 5.6.1 Following the initial request, the hospital may pursue other sources of funding, including Medicaid. Patients will be required to provide verification of ineligibility for Medicaid. If the denial is from the patient’s lack of cooperation with the Medicaid process, the patient will not be eligible for charity care.
- 5.7 **Determinations.** The hospital shall provide final determination within 14 days of receipts of all applications and documentation materials.
- 5.7.1 **Appeals** – The hospital appeal process enables the patient to correct any deficiencies in documentation or request review of the denial and results in review of the determination by the hospital’s Chief Financial officer or his designee for final determination.
- 5.7.2 Patients have the right to appeal a denial or amount of MFA awarded.
- 5.7.2.1 Patients are responsible for initiating their appeal request.
- 5.7.2.2 Patient may request review or appeal decision in writing or verbal.
- 5.7.2.3 When submitting an appeal, patients may provide additional or different information, any corrections to the original application or just request a review based on the original information submitted. Either way, the patient has the right to appeal or have the decision reviewed.
- 5.7.2.4 The Appeal does not require the patient to bring anything new to the table to request a higher-level review.

5.7.2.5 Appeal decisions will be communicated to the patient within 30 days of receipt.

5.7.2.6 If the appeal results in the affirmation of the denial, written notice will be sent to the patient/guarantor and the Department of Health in accordance with state law.

5.8 **Collection Efforts** – Pending final eligibility determination, GHCH will not initiate collection efforts or requests for deposits, provided that the responsible party, within a reasonable time is cooperative with the system's efforts to reach a determination of sponsorship status.

6.0 **Communication / Signage** – information about the MFA program will be widely available to all patients seeking care at the medical offices, to all GHCH staff and providers within the care delivery process, and to all employees who may need to discuss patient financial responsibility. Regular communication shall be provided as:

6.1 Information on Charity Care is available in the 4-steps brochure offered to all patients during registration process

6.2 Signage in public areas within GHCH medical building.

6.3 Notification on the patient's bill.

7.0 **Documentation and Records**

7.1 Confidentiality: All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.

Reviewing Body(ies):

Author:

Jacquie Shay

8/12/2011  
Date

Authenticated By:

Jacquie Shay  
Director of Patient Financial Services

10/31/11  
Date